

Message Text

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SUBJ: U.S. TRADE WITH CUBA AND USSR

1. FOLLOWING EDITORIAL IN ENGLISH DAILY INDONESIAN
OBSERVER, AUG. 27: "LIFTING EMBARGO AND BARTER":

2. QTE IT WAS ANNOUNCED RECENTLY THAT THE U.S. GOVERN-
MENT HAD PASSED A LAW WHEREBY SUBSIDIARIES OF AMERICAN
COMPANIES ARE ALLOWED TO EXPORT GOODS TO CUBA. HOWEVER,
DIRECT EXPORTS FROM THE USA TO CUBA REMAIN TABOO BY LAW.
ON THE OTHER HAND, SHIPS TRANSPORTING GOODS TO CUBA ARE
NOW ALLOWED TO REFUEL IN AMERICAN PORTS.

3. QTE THESE ARE IMPROVEMENTS -- THOUGH VERY MODEST --
AFTER THIRTEEN YEARS OF STRAINED RELATIONS BETWEEN THE
GIANT AND THE MIDGET, AMERICAN AND CUBA. ONE ACKNOWLEDGES
THE INFLUENCE OF THE ORGANIZATION OF AMERICAN STATES,
AND THE INDIVIDUAL STEPS TAKEN BY WASHINGTON TO EASE STRAINED
RELATIONS WITH CUBA, THOUGH NOT TOO FAST, NOR TOO LIBERAL.

4. QTE ANOTHER ITEM WORTH PONDERING ABOUT IS REPORTS OF
A POSSIBLE DEAL BETWEEN THE USA AND THE USSR WHEREBY
AMERICAN WHEAT MIGHT BE BARTERED FOR CRUDE OIL. REPORTS
SHOW THAT THE USSR IS IN BAD NEED OF ADDITIONAL STOCKPILES
OF WHEAT AND THAT THE USA IS IN BAD SHAPE OWING TO THE
SLOW OUTPUT OF CRUDE OIL. FIGURES ABOUT OIL PRODUCTION
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IN THE USSR ARE NOT WIDELY KNOWN, BUT THE USSR IS

OBTAINING ADDITIONAL CRUDE FROM SOME OF THE MIDDLE EASTERN STATES AS PAYMENT FOR ARMS OR FACTORY DEALS. WHEREAS THE PAYMENT FOR SUCH DEALS ARE MADE THROUGH EXPORTS OF CRUDE FROM SOME ARAB STATES, THE AGREEMENT WAS REACHED DURING THE TIME WHEN THERE WAS NO OIL CRISIS. THUS, DUE TO THE VERY LOW PRICE QUOTATION, THE USSR IS ALLEGED TO HAVE GAINED MUCH PROFIT THROUGH THESE DEALS. IT MUST BE SAID THAT MIDDLE EASTERN STATES, HAVING BEEN PROVIDED WITH ARMS AND FACTORIES BY THE USSR, ALSO FEEL THEY HAVE PROFITED.

5. QTE THE FLOW OF CRUDE FROM SOME MIDDLE EASTERN STATES PLACES THE USSR IN A STRATEGIC POSITION. IT CAN SELL CRUDE TO EUROPE FROM ITS ABUNDANT CRUDE OIL SUPPLY. DURING THE HELSINKI SUMMIT, RUMOURS ABOUNDED THAT THE TWO SUPERPOWERS WERE MOVING TOWARDS AN ECONOMIC DEAL VIA THE MOST UN-MODERN OF MEANS, VIZ. THE BARTER OF WHEAT FOR CRUDE OIL.

6. QTE WHATEVER THE RESULT MAY BE, SUCH A DEAL POSSIBLY MAY HAVE POSITIVE BEARING ON OVERALL POLITICAL RELATIONS BETWEEN THE MILITARY BLOCS IN THE WEST, LED BY THE SUPER-POWERS, AND ON THE LOFTY IDEAL OF DETENTE.

7. QTE THE RUMOURED BARTER-DEAL MAY POSSIBLY BALANCE AN AGREEMENT ON NUCLEAR DEFENSE. DISSATISFACTION ON THE PROGRESS SURROUNDING THE LATEST SALT AGREEMENT RECENTLY FORCED FORD TO MAKE A STATEMENT SAYING THAT A HUGE BUDGET FOR NUCLEAR ARMAMENT WILL BE A NECESSITY AS LONG AS NO DEFINITE AGREEMENT IS REACHED ON SALT WITH THE USSR.

8. FOLLOWING EXCERPTS FROM EDITORIAL IN DAILY MERDEKA, AUGUST 27: "TO RELAX TENSION":

9. QTE THE U.S. BOYCOTT AGAINST CUBA IN THE PAST HAS ACTUALLY STRENGTHENED CUBA'S POSITION IN GETTING ASSISTANCE FROM THE USSR AND SEVERAL OTHER COUNTRIES. THE PRESENT ECONOMIC CONDITION IN CUBA IS NOW REFLECTED IN THE COUNTRY'S STABLE GOVERNMENT.

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10. QTE THE INITIATIVE FROM WASHINGTON TO RELAX TENSION IN ITS RELATIONS WITH CUBA HAS TO BE RELATED NOT ONLY TO U.S. EFFORTS TO EASE THE POLITICAL SITUATION ON THE AMERICAN CONTINENT, BUT ALSO TO DETENTE AS A WHOLE.

11. QTE IN SO FAR AS THE U.S. IS ABLE TO RELAX TENSION IN BOTH NORTH AND SOUTH AMERICA, IT WILL BE ABLE TO STABILIZE FURTHER ITS POLITICAL POSITION WITHIN THE ORGA-

NIZATION OF AMERICAN STATES. IT SHOULD ALSO BENEFIT
PRESIDENT FORD AT A TIME WHEN HE IS FACING THE NEXT
ELECTION. BY GIVING CONSENT TO THE SUBSIDIARIES OF
AMERICAN COMPANIES ABROAD TO TRADE WITH CUBA, THE U.S.
HOPES THAT AMERICAN CORPORATIONS INDIRECTLY WILL BE ABLE
TO EXPORT WHEAT TO CUBA. ON THE OTHER HAND SUGAR FROM
CUBA CAN ALSO FIND ITS WAY BACK INTO AMERICAN MARKETS.
ENDQTE. ENDUSINFO.
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